



STATE OF WASHINGTON
WASHINGTON STATE BOARD OF HEALTH
*1102 SE Quince Street • PO Box 47990
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September 11, 2002

TO: Washington State Board of Health Members

FROM: Don Sloma, Executive Director

RE: UPDATE ON CONVERSION OF PREMERA BLUE CROSS FROM NON-PROFIT TO FOR-PROFIT STATUS

Background and Summary:

Last May, Premera Blue Cross of Washington and Alaska announced its intention to convert from a non-profit to a for-profit stock corporation. Premera is currently the largest health insurance carrier in our state with a total enrollment in all of its plans of just under 1 million.

Under current law, the State Insurance Commissioner and the State Attorney General each appear to have separate authority to review and act relative to several aspects of the proposed conversion, including overall approval, and a determination of the size and disposition of assets held by the current non-profit entity known as Premera.

On September 4, 2002, Insurance Commissioner Mike Kreidler announced his intention to join with Attorney General Christine Gregoire to hold a series of public meetings around the state in late September and early October to "...hear from the public early in the review process." (Please see Press Release Attached.)

Bill Daley, Deputy Commissioner for Policy at the Office of Insurance Commissioner is here today to update the Board on efforts to secure needed national expertise to evaluate Premera's conversion proposal, to share plans for the upcoming public meetings and to answer any questions Board members may have about the conversion.

Recommended Board Action:

No action is recommended at this time.